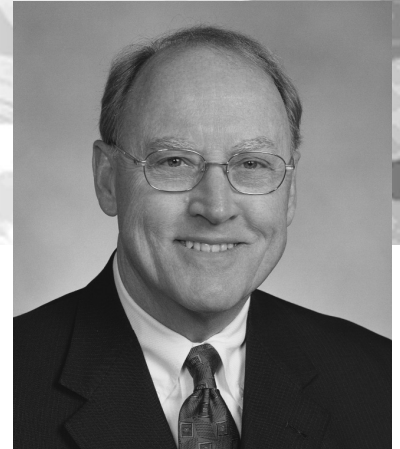


Senator Stephen Johnson



Dear Neighbors,

This year's legislative session has been a challenging one so far in Olympia, and I wanted to offer this newsletter as an update on what's going on. I hope you'll read it and respond with comments and questions.

Much of this update has to do with the topic of education. As the chairman of the Senate Education Committee, K-12 issues are a main focus for me this session. Inside you'll find information regarding many topics that have been discussed as of late, including teacher salaries, potential increases of the levy lid, and overturning the supermajority requirement for school bonds and levies.

Also, you'll find an update on the status of the state budget, and what Senate Republicans are doing to balance it without raising taxes. Passing a supplemental budget that spends less for the remainder of the fiscal year ending June 30 was a good start.

Finally, important legislation regarding public safety, including the state felony murder law, and the closure of a loophole in the state voyeurism law is included as well.

Again, I hope you'll write or call my office with comments and suggestions. I am very honored to serve the 47th District in Olympia, and want to represent my constituency in the best way possible. I hope each and every one of you is having a good 2003 so far.

Sincerely,

Sen. Stephen Johnson

Please keep in touch:

If you would like to provide your input on this or any other legislative situation, you may contact me in the following ways:

By mail:

Sen. Stephen Johnson
PO Box 40447
Olympia, WA 98504-0447

By e-mail:

johnson_st@leg.wa.gov
(Be sure to include your name, address, and phone number)

By phone:

District office (253) 872-6434
Olympia office (360) 786-7692
(during session only)

Via the legislative hotline:

1-800-562-6000

Web Site: www.src.wa.gov

State Education Spending

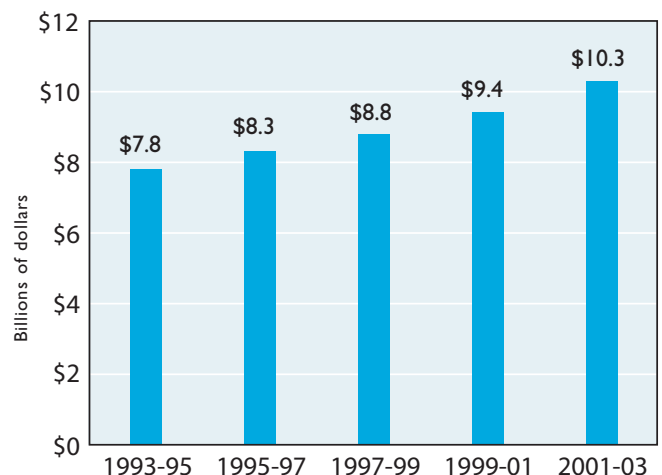
The issue of K-12 education funding in Washington is a large one. To understand, it is important to recognize the size of education funding in the state of Washington's general fund budget.

Funding for K-12 education represents the largest portion of our state's general fund budget, roughly 44 percent. This equaled over \$10.2 billion for the 2001-03 budget. Spending on K-12 education rose 9.0 percent in this past budget. From 1993 to present, spending on K-12 education in Washington has increased by almost 33 percent. (Source: *Senate Ways and Means*)

During that same period, the state portion of per-student funding has gone from \$4,348 per student in 1993 to \$5,358 in 2003. This represents an increase of 23 percent.

(Continued on next page)

K-12 Spending in Washington



(Continued from front page)



Though strides have been made toward better funding education efforts in the classroom, because K-12 funding takes up such a large chunk of the general fund budget, it becomes more difficult to maintain the funding level when our economy suffers a downturn. Mandatory

spending increases dictated by Initiative 728, the lower class size initiative, and 732, the mandatory cost of living raise for teachers, also add to the pressures. These two initiatives were sent to the Legislature with no funding source attached. Unless amended, they will cost over \$1 billion in the next budget. How to keep those initiatives funded is still being discussed.

Teacher Salaries

Many of you may wonder where Washington ranks when it comes to teacher pay. Statistics and studies are mentioned in the media and other sources, ranking Washington from the top half to the bottom half, and everywhere in between. The following information comes from a national study done by the American Federation of Teachers, AFL-CIO, and from the Washington state Superintendent of Public Instruction. For example:

- For the 2001-2002 school year, the average Certificated Washington K-12 teacher had a base salary of \$43,866. (Source: OSPI).
- When average supplemental contracts of \$3,671 are included, the average salary jumps to \$47,537. (Source: OSPI)
- Washington ranked 19th highest in the nation for teacher salaries in 2001-02. This represented a jump of three spots from Washington's 1998-99 ranking of 22nd.
- The average teacher salary in Washington is 13 percent higher than the average private sector job in the state.

In addition, teachers receive average insurance benefits of \$4,200 and mandatory benefits of \$5,500. This raises the compensation package for state teachers to an average of \$55,100. (Source: LEAP Historical Database, OSPI)

How Teacher Salaries Are Set

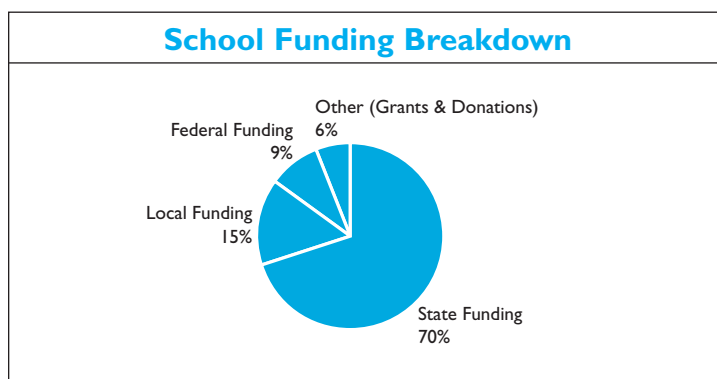
Because of our belief in local control, we send funding dollars from the state to the district. The school board then negotiates with the teachers' union. The individual districts receive money from the state, but create their own salary scales and compensation structures. The largest raises usually end up going to the teachers that already make the highest salary.

According to the Office of the Superintendent of Public Instruction, during the year 2000, over 68 percent of King County's K-12 teachers earned a salary of over \$40,000 per year, while 43 percent earned over \$50,000. For the first 16 years of service, in most districts teachers receive a step salary increase, which averages between 2 and 3 percent. This is on top of the cost of living increase mandated by Initiative 732. As a result, when you give a flat percentage increase to teachers at the bottom of the scale, their raise is much smaller than the raise received by teachers at the top of the scale.

Many people also believe we need to take a closer look at performance-based pay for teachers. If younger teachers are performing well in educating our children to the highest standards, should there be compensation set in place to recognize that? As we scrutinize every penny of state spending in Olympia during this session, this issue will likely receive more attention.

What is a levy?

School funding is primarily made up of three parts—state money, local money and federal money. For the 2001-02 school year, state funding represented on average about 70 percent of the funding, local funding about 15 percent, federal funding about nine percent and other funding like grants and donations the final six percent.





The local portion of the pie comes from locally approved levies funded through local property tax dollars. I'll explain the property tax and how it affects school funding later in this newsletter.

Schools rely on Maintenance & Operations (or M&O) levies to collect that local money. This is different than school bonds, which are used to pay for the maintenance or construction of schools. The amount of money collected through local levies is tied into the state budget due to levy lids based on state law. This is where an issue of raising new education funding has recently emerged—through the raising of the levy lid.

Understanding the levy lid

When it comes to education funding, some think raising the levy lid is the answer to our problems. Gov. Locke has suggested allowing all districts to raise their levy lid to 36 percent. Before using that as a solution though, it's important to understand the history behind it.

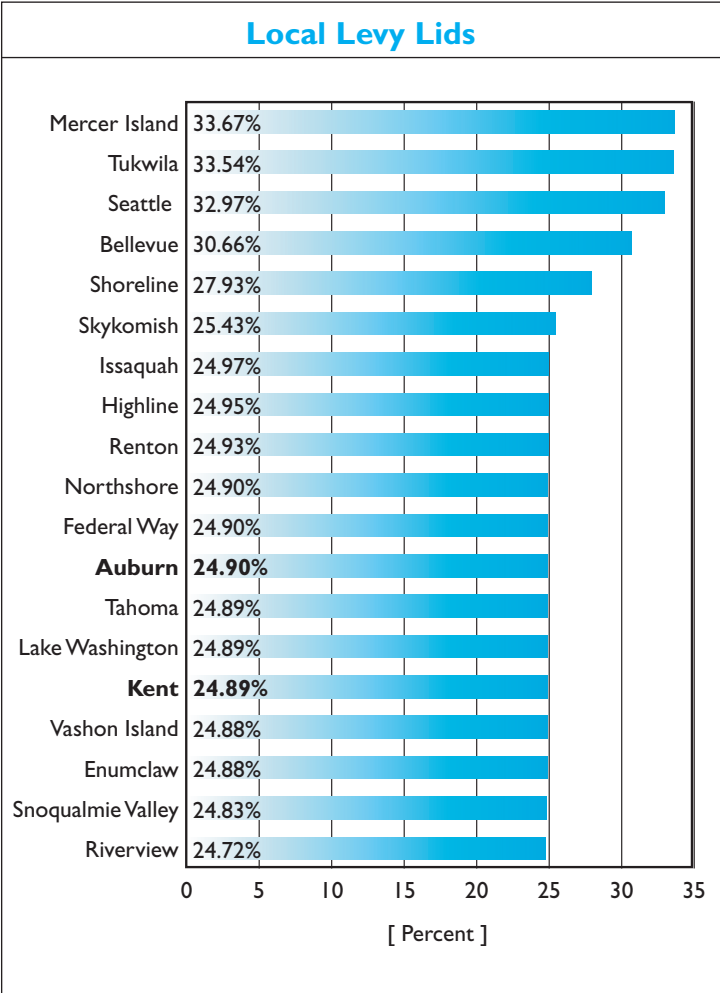
Back in the mid-1970s, school districts were relying heavily on their M&O levies for a large part of their funds. There was no limit to the amount of local levies districts could put on the ballot, and on average, 32 percent of their funding came from local taxes. This high level of local tax burden caused a large number of levy failures at the polls in 1976. The Seattle School District, along with dozens of others, sued the state.

The resulting court judgment, the 1978 Doran decision, ruled that the state must define and fund basic education through regular taxes and dependable tax sources and could not rely on local excess levies for that funding. The ruling cited a specific article in the Washington State Constitution, one that's unique in the United States, which

says, "It is the paramount duty of the state to make ample provision for the education of all students."

As a result, the original levy lid law passed and took effect in 1979. It limited most school districts' M&O levies to 10 percent of a district's basic education allocation. That number was doubled, to 20 percent, during the 1987 session and raised to 24 percent in 1995. Some districts are above that level, due to a "grandfather" clause in the original law.

Since that time, the lid has been increased a small amount more. Currently 91 districts across Washington have levy lids that exceed 24 percent, including all 19 school districts in King County. Auburn is tied for 10th highest in King County, at 24.90%. Kent is tied for 13th at 24.89. The highest in the state is in Franklin County, in the Kahlotus School District, which has a lid of 33.9 percent. (Source: *Senate Ways and Means*)



The 60% Majority

When you see local school levies on the ballot, they must meet a 60 percent supermajority to pass. Many education advocates often urge this to be lowered to a simply majority, meaning 50 percent plus one.

The argument is that most other elections require a simple, not a supermajority vote. That overlooks the fact that we make the hurdle higher for raising excess property taxes for a good reason. The constitutional limit on property taxes is one percent of valuation without a 60 percent vote of the people. The so-called supermajority is not uncommon in state government. For example, in Olympia a 60 percent vote is required when amending the state budget on the Senate floor.

Under Initiative 601, which voters approved in the early 1990s, a two-thirds majority was required to make general tax increases. So school levies aren't the only vote held to this higher standard.

This supermajority requirement also applies to cities, counties, and libraries when seeking to raise property taxes beyond one percent of the value of your home. Citizens are more vulnerable to tax increases on

residences because whereas a sales or income tax requires that the taxpayer act (buy something or earn income), property taxes increase almost automatically.

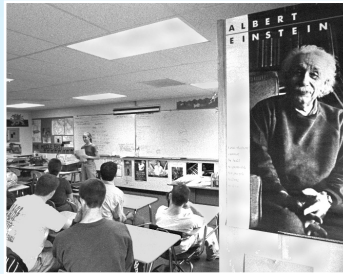
This year alone there have been proposals by the state school superintendent, the Governor, and the King County Council to raise property taxes significantly, for education, parks and community health centers. These

pressures have prevented the Legislature over the years from making it easier to tax residences by lowering the bar on excess property tax levies to 50 percent.

We have strong support for our schools locally. Over 98 percent of school levies passed the 60 percent level in 2002—even at a time of economic recession. The

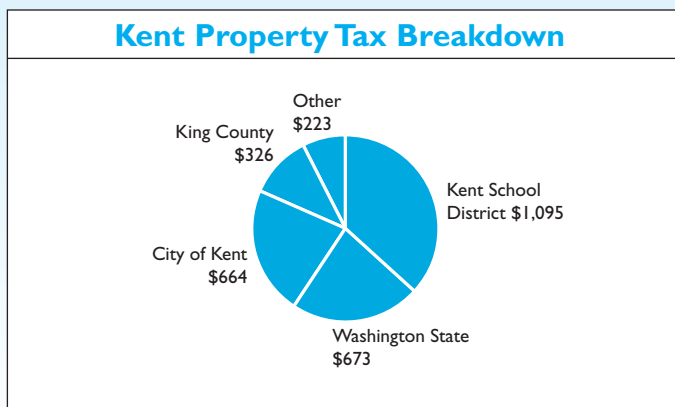
issue is whether further funding should be sought for schools from local property owners.

Since levies provide four years of funding and require a large commitment of property taxes, districts should have to make a strong case to the public. Districts are clearly doing a good job of making that case, with so many local levies clearing the 60 percent supermajority.



Property taxes and education

So what does this mean when you pay your property taxes? In Kent, taxpayers pay \$13.33 per \$1,000 of assessed value. This means the owner of a \$225,000 house pays just under \$3,000 in property taxes. Auburn's rates are similar. The breakdown of where that tax money goes is as follows:



As you can see, money for local schools makes up the largest portion of your property tax bill if you're a homeowner. But let's take that one step further. An increase of the levy lid to 36 percent, as the governor has proposed, would potentially equal a nearly 50 percent increase in the portion of your tax bill that goes to local schools. For a \$225,000 house, that'd be an increase of about \$500.

An increase of that amount could well lead to a large number of levy failures. This in turn could open up the state to further lawsuits as we saw in the late 1970s. Those lawsuits would result in additional costs to the taxpayer.

In addition, wealthier school districts who could pass levies under the inflated lid would continue to expand the gap between the have's and have not's in education. Because of all of these factors, an increase of the levy lid would not be well received in our district.

Felony murder law clarified

The first bill signed into law this year was Senate Bill 5001. This bill sought to clarify the Legislature's intent regarding felony murder charges and convictions.

This past October, the state Supreme Court ruled that Washington's felony murder statute was unclear. Specifically, the court said that the crime of assault could not be used as a precursor to a felony murder charge. What does this mean? Because of the ruling, 299 cases could be re-tried or dismissed because the court felt that assault couldn't lead to a felony murder charge.

SB 5001 will correct that. It clears up the statute to confirm that the Legislature's intent was to include assault as a felony murder precursor. During testimony in the Judiciary Committee, it was clear this is the right decision. Many people in jail currently serving felony murder convictions committed these crimes against children or other helpless individuals. If assault of a child leads to that child's death, that attack should lead to a murder charge.

I was glad to see the Legislature work quickly to pass this important legislation.

Addressing the budget shortfall

The challenge of fully funding education is compounded by our current budget crisis. Washington state is facing an over \$2 billion shortfall for the 2003-05 budget we're writing this session in Olympia. While there are many reasons we've arrived at this point, including some poor budgeting decisions in past years, Senate Republicans are working to write a budget without a general tax increase.

We feel this is important because of the state of our economy. Right now we need to do everything we can to jumpstart the economy in Washington, which economists say will lag behind the national economic recovery by a year and a half. Raising taxes would decrease personal income across the state, force many businesses to close and delay our economic recovery further.

But the fact remains we have a task at hand—solving the budget shortfall. Senate Republicans took a step to address this with the passage of the supplemental budget in January. Meant simply to be a correction for the remainder of the fiscal year that ends in June,

we rewrote it to save the state \$127 million. This creates savings of \$250 million for the budget we're working on now. Much of the savings was achieved through a hiring freeze on state worker positions, reductions in spending on travel, equipment purchases and other spending, and elimination of a planned purchase of new cars for the state motor pool. It's exactly the types of reductions

Washington's families have been making for the past two years. We also proposed freezing enrollment to the Basic Health Plan, so we can take time to step up eligibility verification efforts, to assure that the people receiving benefits from the plan truly qualify.

Do these savings completely solve the 2003-05 problem? No. But we felt

if there were savings opportunities that were good enough for July, they're good enough right now. Saving \$250 million would allow us to restore proposed cuts by the Governor to nursing homes and Adult Dental programs, for example. Balancing the budget without a tax increase is our goal.



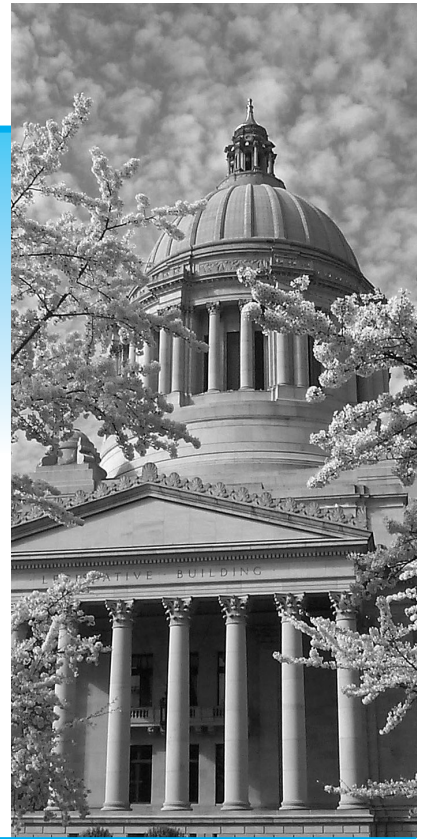
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2003 Legislative Session Update K-12 Education Facts and Figures

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